

**Kathleen T. Burrows**

1 Q. Is Exhibit 5 the receipts from the bank  
2 when you transferred the -- transferred the money  
3 from this account to Michelle's account at U.S. Bank?

4 A. Yes.

5 Q. And the amount of the transfer was  
6 \$305,045.50?

7 A. Yes.

8 Q. And that was all of the money in that  
9 account?

10 A. Yes.

11 Q. And -- and then that account was closed,  
12 so it's closed now?

13 A. Yes.

14 Q. Okay. Let's look at Exhibit 7. We'll  
15 just mark this one as well.

16 Exhibit 7 are the actual counter deposit  
17 and counter withdrawal slips you filled out at the  
18 bank for this transfer?

19 A. Yes.

20 Q. Okay.

21 MR. GARDNER: Ms. Burrows, do you want to  
22 take five minutes? You can get a drink or just take  
23 five minutes?

24 THE WITNESS: Okay.

25 MR. GARDNER: Okay. We'll go off the

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1 record.

2 THE WITNESS: Is that good with everybody?

3 THE VIDEOGRAPHER: Okay. We're going off  
4 the record at 9:47 a.m.

5 (Whereupon, a break was then  
6 taken.)

7 THE VIDEOGRAPHER: And we're back on the  
8 record at 9:56 a.m.

9 BY MR. GARDNER:

10 Q. Ms. Burrows, did John Schneider own a 2001  
11 Harley-Davidson motorcycle?

12 A. Yes, he did.

13 Q. Do -- was that a white motorcycle?

14 A. I believe it was a white motorcycle.

15 Q. Do you know where -- do you know where  
16 Mr. Schneider kept that Harley-Davidson?

17 A. Well, when I was in Billings, I saw it at  
18 his house in Billings --

19 Q. When's the last time you --

20 A. -- in his garage.

21 Q. Okay. When's the last time you saw that  
22 motorcycle?

23 A. The last time I was in Billings was a few  
24 years ago. It was in his garage, parked next to the  
25 Viper.

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1 Q. What was the Viper? Whose car was that?

2 A. The Viper -- Michelle's. It's a -- it's a  
3 sports car.

4 Q. Okay. Dr. Schneider testified that he  
5 gave the Harley to your husband in 2002. Is that  
6 true?

7 A. No, it is not.

8 Q. Has -- do you know, has your husband ever  
9 even rode that Harley?

10 A. Not to my knowledge, no. My husband has  
11 not ridden a motorcycle since his motorcycle accident  
12 in the late '90s.

13 Q. And have you and your husband ever had  
14 possession of that Harley-Davidson?

15 A. No, we have not.

16 Q. What's your understanding of what  
17 Schneider Limited Partnership was?

18 A. Well, I think John told me that Schneider  
19 Limited Partnership was, well, I mean, a limited  
20 partnership that made investments.

21 Q. Okay. And who -- what was your  
22 understanding of who owned the assets in Schneider  
23 Limited Partnership?

24 A. That John and Michelle owned the assets.

25 Q. Okay. Do you -- do you know anything

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1 about when it was formed or how it was formed or  
2 anything like that?

3 A. No. No, I don't.

4 Q. Okay. In 2012 -- there was also an entity  
5 called Schneider Management, LLC. Do you know what  
6 the purpose --

7 A. Okay.

8 Q. Do you know what the purpose of that  
9 entity was?

10 A. Well, do I know what the purpose was?

11 Q. Yes.

12 A. No.

13 Q. Okay.

14 A. No. I don't know what the purpose was,  
15 but I think that Mike had told me that the way that  
16 it was structured is that it -- I don't know -- owned  
17 a percentage of something like that, of Schneider  
18 Limited Partnership, something like that.

19 Q. Okay. But that wasn't something you set  
20 up or fully understood or anything?

21 A. Oh, no. No.

22 Q. Okay. At some point did John ask you to  
23 get involved in Schneider Limited Partnership and  
24 Schneider Management?

25 A. Yes, he did.

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1 Q. How did that occur?

2 A. Well, we were meeting with his -- he had  
3 talked to me about his -- the children's trust. We  
4 were meeting with -- with Mike Greer in Mike's office  
5 in Worland, Wyoming. John, Mike, and I went up there  
6 and had the meeting.

7 And, well, they were having the  
8 discussions then about -- well, I don't know how to  
9 be eloquent about this, but during the meeting, there  
10 were binders, you know, full of like John and  
11 Michelle, and so there was a lot of binders, a lot of  
12 papers. And, you know, well, you know, okay, we'll  
13 have -- we'll have Kathleen, you know, be on this and  
14 Kathleen be on that. And so that's kind of how it  
15 went.

16 Q. What is -- what was your understanding of  
17 the general purpose or reason for this meeting? What  
18 was the general topic of conversation?

19 A. Well, the topic of conversation, I think  
20 we were going to be talking about the children's  
21 trusts, and I think during the conversation we were  
22 also talking about MedPort.

23 Q. Okay.

24 THE REPORTER: Mentor?

25 MR. GARDNER: MedPort.

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1 THE REPORTER: Oh.

2 MR. GARDNER: M-E-D-P-O-R-T.

3 BY MR. GARDNER:

4 Q. Now, you said it came up, we'll put  
5 Kathleen on this and have Kathleen do this. Explain  
6 to -- explain to me what that means.

7 A. Well, you know, they -- there were just  
8 binders, you know, opening up and shuffling around.  
9 And we'll put Kathleen on this and have Kathleen do  
10 this.

11 And at one point I said to -- I was like,  
12 my God, what is all this. And so I asked Mike, well,  
13 what do I need to do with -- with -- with this. What  
14 am I going to do with this? And he said, you don't  
15 need -- just don't worry. You don't need to do  
16 anything. There's nothing you need to do. He said,  
17 you don't need to keep any records at all. He said,  
18 I'll be the custodian of records, so don't worry  
19 about it.

20 Q. Do you have an understanding if you didn't  
21 need to do anything, why was it that -- well, let's  
22 back up a step.

23 Out of that meeting, you ended up being  
24 the trustee of three irrevocable trusts for the  
25 children. Correct?

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1 A. Yes.

2 Q. And you were also named as the manager of  
3 Schneider -- Schneider Management, LLC?

4 A. Yes.

5 Q. And as the manager of Schneider  
6 Management, LLC, then you -- Schneider Management,  
7 LLC, was the general partner of Schneider Limited  
8 Partnership. Correct?

9 A. Right. Right.

10 Q. And so if Mr. Greer was telling you you  
11 didn't need to do anything in these positions and not  
12 to worry about it, what was your understanding of why  
13 they wanted to put your name in these positions?

14 A. You know, I didn't know. You know, this  
15 was -- I mean, estate -- it was really kind of like  
16 part of an estate planning meeting. So I'm not sure  
17 I had a full understanding as to why all of these  
18 transfers.

19 As a matter of fact, I think that I was  
20 also put on, I think, like John and Michelle's  
21 irrevocable trusts, but I didn't even realize it  
22 until -- oh, no. It wasn't that long ago. I'm like,  
23 what the heck? Am I on this too? So --

24 Q. When you left that meeting and you had  
25 become the general partner of Schneider Limited

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1 Partnership via your role as manager of Schneider  
2 Management, did you believe you controlled Schneider  
3 Limited Partnership and were responsible for running  
4 it?

5 A. No. I think --

6 Q. Who --

7 A. Well, go ahead.

8 Q. Who -- who was -- even though you were  
9 named in that position, what was your understanding  
10 of who actually ran Schneider Limited Partnership?

11 A. Well, you know, John and Michelle did.

12 Q. Okay. And I think it was March 30th,  
13 2012, that you became the trustee of the kids's  
14 trusts and were named as the manager and general  
15 partner for Schneider Limited Partnership. Does that  
16 sound accurate?

17 A. That sounds accurate, yes.

18 Q. During that meeting, you said that you  
19 think it was for estate planning and that. Was there  
20 also discussion about asset protection?

21 A. I believe so, yes. Uh-huh.

22 Q. Do you recall any conversation about  
23 wanting to put you in these positions so there was  
24 some separateness for these entities from John?

25 A. I don't recall -- well, I -- I don't



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1 recall that specifically.

2 Q. Okay. In your role as the trustee of the  
3 children's three irrevocable trusts, did you have  
4 day-to-day management responsibilities or -- or much  
5 of a role as the trustee?

6 A. No. Not much of a role. I -- I had  
7 opened a bank account for each one of the kids'  
8 trusts, but no. In terms of -- no. I didn't really  
9 have much of a role at all.

10 Q. Did you make any management or business  
11 decisions on what the kids's trusts would do or  
12 whether they were going to acquire property or  
13 anything like that?

14 A. No. But it was my understanding that the  
15 -- that the ranch was in the children's trusts.

16 Q. Okay.

17 A. So --

18 Q. For Schneider Limited Partnership, did you  
19 ever have control of the bank accounts and control  
20 what it did with its money?

21 A. No. Not at all.

22 Q. Were you ever compensated for your role in  
23 Schneider Management, Schneider Limited Partnership,  
24 or the kids's trusts?

25 A. No.

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1           Q.     John has previously testified that he made  
2     various requests to you as the general partner for  
3     Schneider -- Schneider Limited Partnership, that he  
4     made various requests to you for distributions and  
5     essentially insinuated that he would make the  
6     requests, and it was up to you whether or not he got  
7     those distributions. Is that accurate?

8           A.     No. That's actually not accurate. I -- I  
9     don't recall getting a request. What I recall -- and  
10    this was in 2000 -- well, was it 2014? I -- I think  
11    it was 2014. But at some point in time, maybe even  
12    later -- I don't know -- but I had a conversation  
13    with John, and it was about his legal expenses. And  
14    he was complaining about his legal expenses. And I  
15    said, well, geez, how are you paying for this -- all  
16    these expenses? He said, well, I'm just taking  
17    distributions. I'm taking distributions to pay for  
18    it from Schneider Limited Partnership.

19          Q.     Okay. And you had no knowledge that he  
20    was doing that?

21          A.     Not initially, no. Well, until he told  
22    me.

23          Q.     Yeah. And back in like 2013 and that, if  
24    John wanted to take money out of Schneider Limited  
25    Partnership, was there any need for him to ask you to<sub>51</sub>

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1 do so?

2 A. No. Actually, but -- not at all.

3 Q. Was that because he already had control of  
4 the bank accounts?

5 A. Yeah. He had -- well, I think he and  
6 Michelle were, yeah, in control of the bank accounts.

7 Q. And --

8 A. I'm quite certain of that.

9 Q. And was it your understanding that he  
10 didn't need your permission to do so? Is that the  
11 way it operated?

12 A. That's the way it operated, yes.

13 Q. Do you recall ever having John or Mike  
14 Greer have you sign any documents or letters related  
15 to distributions?

16 A. I don't recall that, no.

17 Q. Okay. If -- if there were letters like  
18 that, is it anything you would have drafted, or were  
19 things like that just things that Mike Greer and John  
20 put in front of you and told you to sign?

21 A. Well, it would have been something like  
22 that, yeah. I mean, they -- Mike Greer asked me to  
23 sign a lot of things over the -- over the years.  
24 But, you know, I just -- going back over this in my  
25 mind, I don't recall receiving a request.

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1 Q. Okay. Was there ever any point in time  
2 with Schneider Limited Partnership where you made the  
3 business decisions and you decided how it operated?

4 A. No.

5 Q. All right. Okay. Let's look at Exhibit 8  
6 in front of you. What was the Whispering Winds  
7 Ranch?

8 A. Whispering Winds Ranch is a -- is a ranch  
9 in -- what is it -- Powell, Wyoming, and that was  
10 where, I mean, you know, some of the time John and  
11 Michelle and the kids lived.

12 Q. So they treated it as one of their  
13 residences?

14 A. Yeah.

15 Q. Okay. Now, in front of you marked as  
16 Exhibit 8 is a deed for the Whispering Winds -- well,  
17 first of all, do you recognize the legal descriptions  
18 of -- if you were asked to look at the legal  
19 descriptions, would you be able to determine whether  
20 it was the Whispering Winds Ranch from the legal  
21 descriptions?

22 A. Well, Park County, Wyoming. Oh, right  
23 here. The legal description up here, this 1962 Lane  
24 15.

25 Q. The legal description is actually the

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1 2012. And they're both signed by you as the manager  
2 for Schneider Management, general partner of  
3 Schneider Limited Partnership.

4 Do you recall why you executed these  
5 deeds?

6 A. Well, remember -- I do remember that -- I  
7 think that the Whispering Winds Ranch was originally  
8 -- well, the Whispering Ranch, it was my  
9 understanding, was originally in a different trust,  
10 the BFC trust, something like that. I'm -- I'm  
11 actually kind of not sure why it went from the -- the  
12 trust to Michelle, because then it went back into the  
13 kids' trusts, so --

14 Q. Okay. So at this point it was in  
15 Schneider Limited Partnership, though. Correct?

16 A. Oh, wow. Okay. So yes. It went -- yes.  
17 Sorry. Yes.

18 Q. So these deeds are transferring it from  
19 the limited partnership to Michelle Schneider  
20 individually. Correct?

21 A. Right.

22 Q. Now, you signed these deeds. Did you make  
23 the decision that, okay, Schneider Limited  
24 Partnership is going to do this transfer now?

25 A. No. Actually, this was -- Mike Greer did 55

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1 certification?

2 A. Well, it looks like Mike Greer did.

3 Q. Okay. And the second deed that's part of  
4 Exhibit 8, at the back -- so the last page of Exhibit  
5 8, there's another property owner's certification for  
6 the second group of parcels that were transferred.

7 A. Okay.

8 Q. And who signed that property owner's  
9 certification?

10 A. Well, Michael Greer.

11 Q. Okay.

12 A. The attorney.

13 Q. Do you know why the -- is your  
14 understanding that this -- whatever this entire  
15 transaction was to -- it was to ultimately put the  
16 Whispering Winds Ranch into the children's trusts  
17 that you were the trustee of?

18 A. Right, yes.

19 Q. Do you know why the property was  
20 transferred to Michelle Schneider first?

21 A. No. I don't know why.

22 Q. Who made the decision to do that?

23 A. I know I didn't make the decision, and I  
24 know that -- well, and John was very involved, you  
25 know, with these transactions. So it was my

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1 impression that they made the decision to do it -- to  
2 do it this way or -- either that or Mike.

3 Q. Okay. And if you look at Exhibit 9,  
4 Exhibit 9 is two more deeds which are both again  
5 dated June 8th of 2012 -- or one is June 5th and one  
6 is June 8th. And these are transferring the same  
7 properties from Michelle to you as the trustee of the  
8 children's irrevocable trusts. Correct?

9 A. Correct.

10 Q. And, again, as far as these deeds and how  
11 this transaction occurred, was any of that your  
12 decision?

13 A. No, it was not.

14 Q. And whose decision was it?

15 A. Well, I believe it was Mike and John, you  
16 know. I think it was more Mike doing all these  
17 papers.

18 Q. Okay. And, again, if you look at page 3  
19 and page 6 of Exhibit 9, those are the two property  
20 owner's certifications. Who are each of those signed  
21 by?

22 A. I believe these are signed -- these are  
23 signed by Michael Greer, attorney.

24 Q. Okay. Now, for these transfers of the  
25 Whispering Winds Ranch, first from the Limited

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1 Partnership to Michelle and then from Michelle to the  
2 kids's trusts, do you know if there was any money  
3 given at any stage in those transfers?

4 A. Not to my knowledge.

5 Q. Okay. As far as you know, when Schneider  
6 Limited Partnership gave them to Michelle, Schneider  
7 Limited Partnership didn't receive any money.  
8 Correct?

9 A. Correct. Not to my knowledge.

10 Q. Okay. And when Michelle deeded the  
11 properties to the kids's trusts, you as trustee don't  
12 know of any money that the trusts gave to Michelle.  
13 Correct?

14 A. No. I'm not aware of any money that --  
15 that the trusts gave to Michelle.

16 Q. Okay. Do you -- are you aware of any  
17 contract or something between Schneider Limited  
18 Partnership and the children's trusts for Schneider  
19 Limited Partnership to manage the Whispering Winds  
20 Ranch?

21 A. No. I'm not aware of that at all.

22 Q. Do you have any knowledge as to who was  
23 receiving the money for things like crop rents and  
24 house rentals and things at the Whispering Winds  
25 Ranch?



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1 A. I think John was receiving the money.

2 Q. Okay. And --

3 A. I was --

4 Q. Go ahead.

5 A. I was going to say it certainly wasn't the  
6 kids' trusts, no.

7 Q. Okay. To your knowledge, did the kids's  
8 trusts ever receive anything from that -- the money  
9 that was made by the ranch for the various rentals  
10 and things?

11 A. No. To my knowledge, no.

12 Q. And do you have any knowledge that at the  
13 end of each year John or Schneider Limited  
14 Partnership would settle up with the kids's trusts to  
15 even out the expenses and the money that was made and  
16 give money to the trusts if there was money made?

17 A. Do I have any knowledge of that?

18 Q. Yes.

19 A. That kind of an arrangement? No.

20 Q. Okay. Is that news to you if somebody  
21 said there was --

22 A. Actually, yeah. That was actually news --  
23 news to me if that -- if that kind of thing was going  
24 on.

25 Q. And when you say -- when you say that was 60

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1 news to you, that was -- did you review some  
2 testimony from John Schneider in 341 meetings?

3 A. Yeah. I -- I did review that.

4 Q. Okay.

5 A. I read it, yes.

6 Q. Okay.

7 A. And so, yes.

8 Q. And so his testimony about a contract  
9 between the trusts and Schneider Limited Partnership  
10 and a reconciliation at the end of each year, you  
11 didn't know anything about that?

12 A. No, I did not.

13 Q. Okay. What was MedPort, LLC?

14 A. MedPort, LLC, was -- well, it was a  
15 limited liability corporation and -- let me try to  
16 succinctly describe this, that, you know, we had  
17 talked about a family business. Originally MedPort,  
18 LLC, was really Omni Utilization Management  
19 Organization. And that's what I did, utilization  
20 management, and it was my passion. And so there was  
21 some discussion about -- some discussion and some  
22 work in terms of creating a -- a -- a utilization  
23 management organization and using some of the Omni  
24 Center staff.

25 Q. Okay. And when it was -- when it was

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1 formed, who were the initial owners or members of  
2 MedPort?

3 A. Okay. The initial owners of MedPort were  
4 Brandon, John's son, and myself.

5 Q. And were you each 50 percent members?

6 A. Right. Could I go back just a little bit?

7 Q. Yes.

8 A. Sorry.

9 Q. Go ahead.

10 A. Because I -- I just kind of wanted to  
11 clarify that, that with the Omni -- you know, Omni  
12 UMO, which was really, you know, you know, my vision  
13 and I know John was very interested in utilization  
14 management and, you know, evidence-based treatment  
15 and stuff like that. When -- I think I have some  
16 documents on that.

17 And -- but when it was incorporated, I  
18 remember John wanted it to be more -- more broad.  
19 And so -- so I think when it was incorporated, it was  
20 incorporated as MedPort to be a more broad entity.

21 Q. What do you mean -- what do you mean by he  
22 wanted it to be more broad?

23 A. Well, you know, originally this was going  
24 to be a utilization, you know, management  
25 organization. And then, you know, he had said, well, '62

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1 you know, maybe it -- maybe it should be a more broad  
2 to incorporate, you know, other -- you know, other  
3 things, that kind of thing, just -- just more broad  
4 than just strictly utilization would be.

5 Q. So John made the decision that it should  
6 have a broader purpose than just strictly what you  
7 were interested in?

8 A. Yeah. Yeah. And I -- I remember that I  
9 had rewritten a business plan, the MedPort business  
10 plan. I got John's feedback and input on that.

11 Q. Now, if John was not a member or owner,  
12 why did John have input on how it was formed and what  
13 it was to do?

14 A. Well, I asked him for his input, and we  
15 talked a lot about it.

16 Q. Okay.

17 A. I -- I tried to answer that question.

18 Q. Was -- was John heavily involved in  
19 MedPort?

20 A. In MedPort?

21 Q. Yes.

22 A. Yes.

23 Q. Okay.

24 A. Uh-huh.

25 Q. Did --

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1 A. Yes, he was.

2 Q. Did John have some control over MedPort  
3 and say in what it did?

4 A. Yes.

5 Q. Now, you said Brandon was initially a 50  
6 percent member with you. Do you know why Brandon was  
7 made a 50 percent member?

8 A. Well, I think initially, you know, when we  
9 initially started to talk about, you know, a family  
10 business, you know, it was -- you know, there was  
11 some discussion, you know, about the family business  
12 and about the children and all the rest of it. So it  
13 was my understanding that -- that really, you know,  
14 to bring the children and have the children, you  
15 know, at some point participate.

16 Q. And at the time it was formed, how old was  
17 Brandon?

18 A. Oh, Brandon is -- when it was incorporate  
19 in 2012, so that's three years ago. Brandon is 21,  
20 so about 18 --

21 Q. Okay.

22 A. -- I believe.

23 Q. And did Brandon to your knowledge  
24 contribute any capital or money to MedPort?

25 A. No. Not to my knowledge.

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1 Q. Did you contribute any capital or money to  
2 the MedPort?

3 A. No, I did not.

4 Q. Your contribution was going to be labor  
5 and working on the business plan?

6 A. Right. Right.

7 Q. How -- where did the capital contribution  
8 and funds for MedPort come from?

9 A. From Schneider Limited Partnership.

10 Q. Okay. And do you know why -- if Schneider  
11 Limited Partnership was contributing the money, why  
12 it wasn't given an ownership interest?

13 A. No. Actually, I don't. I don't know why.

14 Q. Was that a decision you made, or was it  
15 somebody else's decision?

16 A. I didn't make the decision, no.

17 Q. Okay.

18 A. I think -- actually, I think when -- when  
19 we were talking to Mike Greer, you know, in Worland,  
20 you know, that was a topic of conversation, you know.  
21 I remember, you know, there was a discussion, and he  
22 and John were talking about, well, you know, Kathleen  
23 can be a 50 percent owner, and then, you know,  
24 Brandon would be a 50 percent owner.

25 Q. And --

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1           A.     And -- and Schneider Limited Partnership  
2 never came -- came up --

3           Q.     Okay.

4           A.     -- in terms of ownership.

5           Q.     Okay. When it was said that Brandon could  
6 be a 50 percent ownership, was there any discussion  
7 at that time as to why they wouldn't want John or  
8 Schneider Limited Partnership to be the 50 percent  
9 owner instead of Brandon?

10          A.     I don't recall that -- I don't recall any  
11 discussion about, you know, why not John.

12          Q.     Okay. What -- what was Brandon's role in  
13 MedPort?

14          A.     Well, I think he was given a title. Yeah.  
15 I did a lot of the work on MedPort, and, you know,  
16 Brandon did review some of like the Internet, you  
17 know, the Internet when it became -- like Doctor's  
18 Black Bag was what we were working on. So, I mean,  
19 he reviewed a couple of the things, and I got his  
20 input. But, you know, other than that, I don't think  
21 he had a large role --

22          Q.     Okay.

23          A.     -- if any.

24          Q.     Did he have any day-to-day role that you  
25 knew of?

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1 A. No. No.

2 THE WITNESS: May I ask a --

3 MR. GARDNER: Yes.

4 THE WITNESS: Is it okay if I -- may I use  
5 the restroom real quick?

6 MR. GARDNER: Yeah. Let's go off --

7 THE WITNESS: Can we take a real quick  
8 break?

9 MR. GARDNER: Absolutely. Let's go off  
10 the record.

11 THE WITNESS: Okay.

12 THE VIDEOGRAPHER: We are going off the  
13 record at 10:27 a.m.

14 (Whereupon, a break was then  
15 taken.)

16 THE VIDEOGRAPHER: And we're back on the  
17 record at 10:32 a.m.

18 BY MR. GARDNER:

19 Q. Ms. Burrows, you were initially named as  
20 the statutory manager of MedPort. Correct?

21 A. I think yes. Correct.

22 Q. Do you know what that technically means or  
23 anything?

24 A. Not so much. I guess I'm the manager.

25 Q. Did --

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1 A. I said all right.

2 Q. Do you know why you were named as the  
3 manager?

4 A. Well, I mean, it originally was my -- my  
5 concept.

6 Q. Okay. Did you -- did you have control of  
7 the MedPort bank accounts?

8 A. Well, I was on the MedPort bank accounts,  
9 but, you know, really when I was in -- there wasn't  
10 really money being spent, so --

11 Q. Did you -- were you the one -- if MedPort  
12 wanted to make an investment or spend thousands of  
13 dollars on something, was that your decision to make,  
14 or was it somebody else's decision?

15 A. No. I think, you know, John made the  
16 decision, you know, in terms of the -- of the dollar  
17 expenditures. I remember that does have to do with  
18 like web development or something like that, which  
19 was going to be very, very expensive. And I was  
20 getting estimates, you know, of a minimum like  
21 325,000, and he said no, no. I just want to spend  
22 like about 50,000, so --

23 Q. Okay. So it was -- it was John who  
24 actually made the decisions about what would be spent  
25 and what would be done?

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**Kathleen T. Burrows**

1 A. I think so, yeah.

2 Q. Okay.

3 A. Yeah.

4 Q. Oh, did you have something to add?

5 A. No.

6 Q. Let's look at -- let's look at Exhibit --  
7 Exhibit 10 in front of you.

8 Now, Exhibit 10 is a promissory note in  
9 the amount of \$5 million from MedPort to Schneider  
10 Limited Partnership. Do you recognize this note?

11 A. MedPort -- MedPort promises to pay  
12 Schneider -- yes. Okay. Yes.

13 Q. Okay. And so --

14 A. Well, wait a minute.

15 Q. Do you recognize this note?

16 A. I've had a chance to review it.

17 Q. And this is a note that is dated May 1st,  
18 2012, and signed by you as the manager for MedPort.  
19 Correct?

20 A. Yeah, this is. But I have got to tell you  
21 that it was my recollection that there was -- that  
22 there was a note that I -- I did sign this. That's  
23 my signature there. But it was my recollection that,  
24 that the note was going to loan 3.5 million up to \$5  
25 million.

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1 Q. And I think if you -- I think if you read  
2 this note, I think it -- and to be fair, I've -- I've  
3 seen some various different drafts and things. This  
4 is the one I found that was executed. I think this  
5 allows them to borrow up to 5 -- \$5 million. I don't  
6 think it's saying MedPort owes \$5 million on this  
7 date. Is that fair?

8 A. Oh, okay.

9 Q. Was that your understanding of what the  
10 agreement was, that they could borrow up to  
11 \$5 million?

12 A. Yes. Up to \$5 million.

13 Q. Okay. Now --

14 A. But --

15 Q. -- is this note how MedPort was funded?

16 A. Yes.

17 Q. And it was --

18 A. Schneider Limited Partnership, yeah.

19 Q. Okay. So it was funded by agreeing to be  
20 able to borrow funds from Schneider Limited  
21 Partnership?

22 A. Yes.

23 Q. And this structure and the terms of this  
24 note and borrowing the money from Schneider Limited  
25 Partnership, was that a structure that you came up

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**Kathleen T. Burrows**

1 with?

2 A. No. I didn't come up with the structure.

3 Q. Who came up with this funding method and  
4 the structure of the note and all of that?

5 A. Well, I think there was discussion between  
6 John and Mike Greer regarding funding of MedPort.

7 Q. And --

8 A. And I think -- I think Mike Greer -- go  
9 ahead.

10 Q. And the ultimate --

11 A. I think Mike Greer --

12 Q. Okay. Sorry. Go ahead.

13 A. I think Mike -- I think Mike Greer came up  
14 with the note.

15 Q. Okay. As far as the ultimate decision to  
16 go ahead with this note and for MedPort to borrow the  
17 money from Schneider Limited Partnership, who made  
18 that ultimate decision?

19 A. To go forward with it?

20 Q. Yes.

21 A. Was that the question?

22 Q. Well, who made the decision to fund  
23 MedPort in this manner and to do this note and have  
24 it borrow the money from Schneider Limited  
25 Partnership?

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**Kathleen T. Burrows**

1 A. Oh, John.

2 Q. Okay.

3 A. Yes.

4 Q. Now, under this note, if you look at  
5 paragraph 1 on page 1, it calls for interest payments  
6 from the date of the note up to September 30th, 2015.  
7 Do you know if MedPort ever made an interest payment  
8 on this note?

9 A. To the best of my knowledge, no. I don't  
10 believe any interest -- interest payments had been  
11 made.

12 Q. Okay. And then if you would --

13 A. I'm not aware of any.

14 Q. Okay. If you look at Exhibit 11 in front  
15 of you. That's an amendment to the promissory note  
16 between MedPort and Schneider Limited Partnership.  
17 Do you know why the amendment to the note was made?

18 A. Well, the -- the amendment calls for  
19 payments beginning later than they were originally  
20 expected. No. I know that -- I know that John  
21 talked to Mike and wanted to -- to delay payments.

22 Q. Okay. And --

23 A. Or push payments back.

24 Q. Okay. So John made the decision that the  
25 note should be amended?

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**Kathleen T. Burrows**

1 A. Yeah.

2 Q. And the amendment changed it so that there  
3 is no payments, either interest or principal, due  
4 until September 30th of 2018. Correct?

5 A. Oh, wow. That's correct.

6 Q. Okay. And, again, that was -- John made  
7 that decision on behalf of MedPort and Schneider  
8 Limited Partnership?

9 A. Yeah. He wanted to move the -- the  
10 payments back.

11 Q. Do you know anything about revenues that  
12 MedPort received, what kind of cash flow it had?

13 A. I don't know a lot about the revenues and  
14 stuff. I do remember, oh, I do remember succinctly  
15 during this whole utilization review process, John  
16 did some utilization reviews or some -- some work.  
17 And then he told me that he deposited the money into  
18 MedPort.

19 Q. Okay.

20 A. So -- and I was like, wow. I thought that  
21 was -- I thought that was your money. All right.  
22 So --

23 Q. Did he tell you --

24 A. I'm not sure how much.

25 Q. Did he tell you why he deposited it in -- 73

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1 in MedPort?

2 A. Well, he said that -- he said that this  
3 should be MedPort's, you know -- MedPort money. I  
4 went, okay.

5 Q. Were you aware that John was also doing  
6 expert witness services and things like that and  
7 depositing the money in MedPort?

8 A. Well, I mean, I was aware that he was  
9 doing these utilization review services for -- for  
10 MedPort for a period of time. And then he told me --  
11 I -- I wasn't aware of -- of -- of what he was doing,  
12 but then he told me -- actually, this is 2013 that he  
13 had done some work and was expecting some 1099s, so  
14 -- from MedPort and would I send them to him when I  
15 got them.

16 Q. Okay. Did -- do you know of any revenues  
17 MedPort ever received other than from work John  
18 performed?

19 A. No. I'm not aware of any revenues.

20 Q. When you were acting as the manager of  
21 MedPort, were you aware of MedPort having any  
22 employees?

23 A. No. Actually, really no employees at all.

24 Q. Do you -- are you aware now that John has  
25 claimed that he and Michelle were employees of

**Kathleen T. Burrows**

1 MedPort?

2 A. I -- I'm aware, yes, now.

3 Q. Were -- prior to --

4 A. I think -- I think I -- I think I became  
5 aware that they were taking money for salary out of  
6 MedPort, I think it was -- it was on an e-mail. He  
7 copied me. I don't even think I owned any MedPort  
8 shares at this time. He copied me on things. So  
9 when he was doing the taxes with his new accountant,  
10 I think the 2014 taxes.

11 Q. Now, by 2014 did you have -- did you have  
12 day-to-day involvement with MedPort by 2014?

13 A. No. I really didn't.

14 Q. Were you -- were you aware that MedPort  
15 was paying John and Michelle both a salary?

16 A. No. In 2014? No.

17 Q. Do you know of any services that Michelle  
18 ever provided for MedPort?

19 A. I'm not aware of any services that  
20 Michelle was providing --

21 Q. During the time --

22 A. -- for MedPort.

23 Q. During the time that you owned shares and  
24 were the manager, did Michelle have any role in  
25 MedPort?

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1 A. No. No.

2 Q. Were you aware that MedPort was paying  
3 Michelle's rent for her apartment in California?

4 A. I think I was aware.

5 Q. When do you think --

6 A. Yeah.

7 Q. When do you think you became aware of  
8 that?

9 A. Are you talking about the -- the apartment  
10 on Quail Ridge?

11 Q. I believe --

12 A. The Quail Ridge apartment?

13 Q. I believe so.

14 A. A Quail Ridge apartment. Well, I remember  
15 -- I remember they wanted to move to California and  
16 be close to where Caitlin -- they were trying to get  
17 Caitlin, their youngest daughter, in school. So John  
18 had come down, and I actually went with him to -- to  
19 look around for an apartment close to the school.  
20 And when he found an apartment, I -- it was my  
21 recollection that he said he wanted MedPort to pay  
22 for the apartment, I believe.

23 Q. At that time did you have much involvement  
24 in MedPort?

25 A. No.

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1 Q. What was your reaction to him saying he  
2 wanted MedPort to pay for the apartment?

3 A. Well, it's hard to go back and say what --  
4 you know, what I thought. Okay. Really?

5 Q. And after knowing that MedPort was paying  
6 for an apartment, did John start looking for a house  
7 to buy for him and his family to live in down in  
8 California?

9 A. He -- I -- I'm not sure when he began to  
10 look for a place, but I do know that they had an  
11 apartment, and then they moved into a rental house.

12 Q. Okay.

13 A. And then I am aware that they were looking  
14 to -- to purchase a home in California.

15 Q. And was this starting in late 2014 when  
16 they were looking to purchase a home?

17 A. Yeah. It was late 2014.

18 Q. And they were looking to purchase a home  
19 for their residence. Correct?

20 A. Yes. That was my understanding.

21 Q. And did John ever tell you how he was  
22 going to pay for that home?

23 A. Ultimately he did.

24 Q. And how was he going to pay for that home?

25 A. He was going to use MedPort money to pay 77

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1 for it.

2 Q. What was your reaction to that?

3 A. I was very upset, very upset, and I  
4 couldn't believe it. And I think when I learned that  
5 that's what he was going to do, then I gave up the  
6 rest of my shares in MedPort.

7 Q. Okay. And that was in late 2014 sometime?

8 A. Yes.

9 Q. Now, you said the rest of your shares.  
10 Was there some point earlier when you had given up  
11 some initial shares?

12 A. Yes. I can't remember the exact date. I  
13 think it was in 2013. It was sometime in 2013. I  
14 think -- I think that there are -- are dates. We  
15 could get them for you.

16 Q. And whatever the exact date was when you  
17 gave up those shares in 2013, did that coincide with  
18 kind of the time where you stopped spending time  
19 working on MedPort?

20 A. About roughly that time, yeah. I really  
21 -- I mean, I had some health issues. My husband had  
22 some health issues. This was just getting out of  
23 control, and I wanted to give up my shares at that  
24 point in time.

25 Q. And what did you -- what were done with

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**Kathleen T. Burrows**

1 the shares that you gave up? How much did you give  
2 up?

3 A. Well, originally my shares -- originally  
4 there -- I gave up, I thought, 20 percent of my  
5 shares, and I gave them up to the children's trusts.

6 Q. Okay. So the children's trusts at that  
7 point became, at least to some extent, members or  
8 owners in MedPort?

9 A. That's my recollection, yeah.

10 Q. And did the children's trusts pay you  
11 anything for the interests you gave up to them?

12 A. No, they did not.

13 Q. And so during the time period from that to  
14 the end of 2014, you had limited participation in  
15 MedPort. Well, who was -- who was running MedPort  
16 during that time to your understanding?

17 A. Well, I think John was -- was running  
18 MedPort at that point.

19 Q. And did he have -- did he have control of  
20 the bank accounts and business decision-making and  
21 all of that?

22 A. Yeah, he did.

23 Q. And then in 2000 -- towards the end of  
24 2014, you gave up the rest of your shares in MedPort?

25 A. Right.

**Kathleen T. Burrows**

1 John and Michelle and Schneider Limited Partnership  
2 and various other entities?

3 A. Yeah. I was aware of that.

4 Q. And that was --

5 A. Well, I wasn't --

6 Q. Oh, go ahead.

7 A. Well, I know that there was a -- I know  
8 there was a note. The \$650,000 from Wells Fargo was  
9 for the -- for the tenant improvement loan on John's  
10 suite in the Omni Center, was my understanding. But  
11 I can't completely recall if it went to judgment.

12 Q. Okay. Look at Exhibit 12, if you would.  
13 And Exhibit 12 is a judgment sale agreement. Do you  
14 recognize --

15 A. Okay.

16 Q. Do you recognize that agreement?

17 A. Yes. I think this -- okay. I think Mike  
18 gave me a copy of this. Yes. I recognize it. I do.

19 Q. Okay. And this agreement is between Wells  
20 Fargo and you as the trustee for the three children's  
21 trusts. Correct?

22 A. Oh, I'm sorry.

23 Q. Okay. And this agreement is dated March  
24 17th of 2014? It's in the first line of page 1.

25 A. Oh, it is. Oh, I'm sorry. Yes, it is.

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**Kathleen T. Burrows**

1 Q. Okay. Now, do you recall generally what  
2 this agreement was about?

3 A. I think this agreement -- geez. Well, I'm  
4 not -- I'm not sure. Do I remember what this was  
5 agreement or -- about or what the -- is your question  
6 what this issue was about?

7 Q. Let me ask you this. Were you involved in  
8 negotiating this agreement?

9 A. No. Not at all. This -- this agreement  
10 was -- no. This -- this agreement was between, you  
11 know, Mike Greer and John.

12 Q. So is it fair to say that Exhibit 12, the  
13 judgment sale agreement, is something that John and  
14 Mike simply asked you to sign because you were the  
15 trustee of the kids's trusts?

16 A. Yes.

17 Q. Did you have any involvement in deciding  
18 that the children's trusts should purchase the  
19 judgment that Wells Fargo had against John and  
20 Michelle and Schneider Limited Partnership from Wells  
21 Fargo?

22 A. No. I -- I had no involvement in how this  
23 -- the mechanics of all of this was -- was going to  
24 be.

25 Q. Now --

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1 A. I do recall several -- go ahead.

2 Q. Oh, you do recall what?

3 A. Well, I do recall several discussions  
4 between John and Mike -- and Mike Greer regarding  
5 this particular -- this loan, judgment kind of thing.

6 Q. Do you recall in those discussions what --  
7 why it was that Schneider Limited Partnership didn't  
8 just simply pay off the judgment against it?

9 A. No. I don't recall why -- why Schneider  
10 Limited Partnership just didn't pay it than go  
11 through all of these types of -- types of things. I  
12 don't know. So, no, I don't know.

13 Q. At this point did the children's trusts  
14 have \$650,000 to buy a judgment?

15 A. No, they didn't.

16 Q. And so if you look at Exhibit 13, that is  
17 a promissory note from you as the trustee of the  
18 trusts to MedPort. Did the children's trusts borrow  
19 the \$650,000 from MedPort?

20 A. Yeah. It looks like the children's trusts  
21 did borrow the \$650,000 from MedPort.

22 Q. Did you have any involvement in making the  
23 decision that the trusts would borrow this money from  
24 MedPort in order to buy the judgment from Wells  
25 Fargo?

**Kathleen T. Burrows**

1 A. No, I did not.

2 Q. Who made that decision?

3 A. I think John and Mike had a lot of  
4 conversations about how -- what was going to happen  
5 on this so.

6 Q. And were you then instructed by John and  
7 Mike to execute this Exhibit 13 on behalf of the  
8 trusts?

9 A. Yes.

10 Q. In --

11 A. Yes.

12 Q. In paragraph 1 on page 1, it states that  
13 payments under this note shall be interest only for  
14 the first 24 months, paid monthly.

15 A. Oh, wow.

16 Q. Do you know whether the children's trusts  
17 ever made any payments under this note to MedPort?

18 A. Well, as a trustee of the children's  
19 trusts, I can tell you that no, I don't recall ever  
20 making a payment on this.

21 Q. Okay.

22 A. I mean at the time. Wait a minute. No.

23 Q. Now, if you look at Exhibit 14. Exhibit  
24 14 is a mortgage with the same date as the promissory  
25 note that was Exhibit 13. And Exhibit 14 is a --

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